

requesting the State of Nebraska to make a loan to our school district of Oakland-Craig. Now the loan that they are requesting is a \$500,000 loan from the State Treasurer. The entire settlement was for \$1.5 million. It was a \$1.5 million settlement against that school district. Because of limitations on their budget as a result of the school district board resigning, they made application to the State of Nebraska. The Oakland-Craig School District is currently in receivership. A receiver by the name of Mr. Runty is in charge of the school district. It has no school board at this time, but what it...so as a result there is no board there to establish a levy, there is no board to establish where this money should come from. Now the background of the Oakland-Craig resolution dates back to an accident in which a \$1.5 million settlement was reached as a result of a school bus hitting another automobile and that person was severely injured. The suit originally had been a request for \$22 million and the school district, as a result of consultation with their attorneys, chose to settle at 1.5 million. Now, could this happen again? I don't believe it could. In 1985 the State of Nebraska put a limit on the amount of money that a school district could be sued for. The \$1 million cap that the Legislature established, I feel, results in most school districts being able to handle a rather hefty suit against them. So as a result of the 1985 law, in which we capped the amount of liability that a school district or a county or a city could be held responsible for, I don't believe that this particular situation could happen again. But as the resolution states with the committee amendments, we do not establish a precedent by voting for this particular resolution. The State Treasurer will examine each particular request made by any subdivision in the amount of money they will be looking at will be established by the State Treasurer. So in voting for this resolution we are not establishing a precedent. In addition I might add that the school district has had a very bad string of bad luck. Once they received the settlement, once the auto accident took place, the insurance company that they had which would have normally handled the complete cost of the settlement agreement, went bankrupt.

PRESIDENT: One minute.

SENATOR ABOUD: So they were left without an insurance carrier at that time. So the school district, I feel, has used excellent judgment, excellent management skills. The problem has been a situation that a lot of the small school districts do